

Adopted

Rejected

COMMITTEE REPORT

YES: 20

NO: 0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 1, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 5-28-26 IS ADDED TO THE INDIANA CODE
- 4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 5 JULY 1, 2005]:
- 6 **Chapter 26. Global Commerce Centers**
- 7 **Sec. 1. As used in this chapter, "corporation" means the Indiana**
- 8 **economic development corporation established by IC 5-28-3-1.**
- 9 **Sec. 2. As used in this chapter, "district" means a regional**
- 10 **economic development district designated by the United States**
- 11 **Department of Commerce Economic Development Administration.**
- 12 **Sec. 3. As used in this chapter, "high technology activity" has**
- 13 **the meaning set forth in IC 36-7-32-7.**
- 14 **Sec. 4. As used in this chapter, "hub" means a regional**
- 15 **economic development project that is:**

(1) selected by a district for development as a global commerce center; and

(2) designated as a global commerce center under this chapter.

Sec. 5. As used in this chapter, "spoke" means an economic development project that is:

(1) located within the area served by a district;

(2) undertaken to support the activities of a hub; and

(3) treated as a global commerce center under this chapter upon the approval of the district board and fiscal body of the county in which the project is located.

Sec. 6. The corporation shall do the following:

(1) Review and approve or reject all applicants for global commerce center designation according to the criteria for designation set forth in section 7 of this chapter.

(2) Establish a procedure by which global commerce centers may be monitored and evaluated on an annual basis.

(3) Promote the global commerce center program.

Sec. 7. (a) The corporation may designate up to three (3) global commerce centers under this chapter. A global commerce center must include a hub. The boundaries of the global commerce center are not required to be contiguous.

(b) If a district applies to the corporation to have part of the area served by the district designated as a global commerce center, the corporation shall approve the district's application if the corporation determines that the proposed global commerce center meets the following criteria:

(1) The district applying for a global commerce center designation does not contain a metropolitan statistical area.

(2) The proposed global commerce center is well suited for the development of a hub and its supporting spokes.

(3) The proposed global commerce center has the support of the surrounding community.

(4) The proposed global commerce center is well suited for the development of at least one (1) of the following:

(A) A high technology activity.

(B) Advanced manufacturing.

(C) Transportation, distribution, and logistics.

(c) The corporation shall adopt rules under IC 4-22-2 specifying

1 **application procedures.**

2 **(d) The corporation shall give priority to an application**
 3 **submitted by a district that:**

4 **(1) serves a region that borders another state;**

5 **(2) contains at least one (1) county that consistently ranks**
 6 **among the highest in Indiana in unemployment;**

7 **(3) is served by an interstate highway; and**

8 **(4) has identified a site for a proposed global commerce center**
 9 **that is well suited for the development of an intermodal**
 10 **transportation hub.**

11 **Sec. 8. If a global commerce center is designated under section**
 12 **7 of this chapter, an unlimited number of spokes may be added to**
 13 **the global commerce center at the discretion of the fiscal bodies of**
 14 **the counties served by the district and the district board.**

15 **Sec. 9. A global commerce center expires fifteen (15) years after**
 16 **it is designated by the corporation."**

17 Page 2, line 7, delete "2011," and insert "**2018**,".

18 Page 3, line 21, delete "2011," and insert "**2018**,".

19 Page 4, line 2, delete "2011," and insert "**2018**,".

20 Page 4, line 24, delete "2011," and insert "**2018**,".

21 Page 7, line 41, delete "2011," and insert "**2018**,".

22 Page 8, between lines 35 and 36, begin a new paragraph and insert:

23 "SECTION 3. IC 6-1.1-12.1-5 IS AMENDED TO READ AS
 24 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

25 Sec. 5. (a) A property owner who desires to obtain the deduction
 26 provided by section 3 of this chapter must file a certified deduction
 27 application, on forms prescribed by the department of local government
 28 finance, with the auditor of the county in which the property is located.
 29 Except as otherwise provided in subsection (b) or (e), the deduction
 30 application must be filed before May 10 of the year in which the
 31 addition to assessed valuation is made.

32 (b) If notice of the addition to assessed valuation or new assessment
 33 for any year is not given to the property owner before April 10 of that
 34 year, the deduction application required by this section may be filed not
 35 later than thirty (30) days after the date such a notice is mailed to the
 36 property owner at the address shown on the records of the township
 37 assessor.

38 (c) The deduction application required by this section must contain

1 the following information:

- 2 (1) The name of the property owner.
- 3 (2) A description of the property for which a deduction is claimed
- 4 in sufficient detail to afford identification.
- 5 (3) The assessed value of the improvements before rehabilitation.
- 6 (4) The increase in the assessed value of improvements resulting
- 7 from the rehabilitation.
- 8 (5) The assessed value of the new structure in the case of
- 9 redevelopment.
- 10 (6) The amount of the deduction claimed for the first year of the
- 11 deduction.
- 12 (7) If the deduction application is for a deduction in a residentially
- 13 distressed area, the assessed value of the improvement or new
- 14 structure for which the deduction is claimed.
- 15 (d) A deduction application filed under subsection (a) or (b) is
- 16 applicable for the year in which the addition to assessed value or
- 17 assessment of a new structure is made and in the following years the
- 18 deduction is allowed without any additional deduction application
- 19 being filed. However, property owners who had an area designated an
- 20 urban development area pursuant to a deduction application filed prior
- 21 to January 1, 1979, are only entitled to a deduction for a five (5) year
- 22 period. In addition, property owners who are entitled to a deduction
- 23 under this chapter pursuant to a deduction application filed after
- 24 December 31, 1978, and before January 1, 1986, are entitled to a
- 25 deduction for a ten (10) year period.
- 26 (e) A property owner who desires to obtain the deduction provided
- 27 by section 3 of this chapter but who has failed to file a deduction
- 28 application within the dates prescribed in subsection (a) or (b) may file
- 29 a deduction application between March 1 and May 10 of a subsequent
- 30 year which shall be applicable for the year filed and the subsequent
- 31 years without any additional deduction application being filed for the
- 32 amounts of the deduction which would be applicable to such years
- 33 pursuant to section 4 of this chapter if such a deduction application had
- 34 been filed in accordance with subsection (a) or (b).
- 35 (f) Subject to subsection (i), the county auditor shall act as follows:
- 36 (1) If a determination about the number of years the deduction is
- 37 allowed has been made in the resolution adopted under section 2.5
- 38 of this chapter, the county auditor shall make the appropriate

1 deduction.

2 (2) If a determination about the number of years the deduction is
3 allowed has not been made in the resolution adopted under section
4 2.5 of this chapter, the county auditor shall send a copy of the
5 deduction application to the designating body. Upon receipt of the
6 resolution stating the number of years the deduction will be
7 allowed, the county auditor shall make the appropriate deduction.

8 (3) If the deduction application is for rehabilitation or
9 redevelopment in a residentially distressed area, the county
10 auditor shall make the appropriate deduction.

11 (g) The amount and period of the deduction provided for property
12 by section 3 of this chapter are not affected by a change in the
13 ownership of the property if the new owner of the property:

14 (1) continues to use the property in compliance with any standards
15 established under section 2(g) of this chapter; and

16 (2) files an application in the manner provided by subsection (e).

17 (h) The township assessor shall include a notice of the deadlines for
18 filing a deduction application under subsections (a) and (b) with each
19 notice to a property owner of an addition to assessed value or of a new
20 assessment.

21 (i) Before the county auditor acts under subsection (f), the county
22 auditor may request that the township assessor of the township in which
23 the property is located review the deduction application.

24 (j) A property owner may appeal ~~the a~~ determination of the county
25 auditor under subsection (f) **to deny or alter the amount of the**
26 **deduction by filing a complaint in the office of the clerk of the circuit**
27 **or superior court requesting in writing a preliminary conference**
28 **with the county auditor** not more than forty-five (45) days after the
29 county auditor gives the person notice of the determination. **An appeal**
30 **initiated under this subsection is processed and determined in the**
31 **same manner that an appeal is processed and determined under**
32 **IC 6-1.1-15.**

33 SECTION 4. IC 6-1.1-12.1-5.1 IS AMENDED TO READ AS
34 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

35 Sec. 5.1. (a) This subsection applies to:

36 (1) all deductions under section 3 of this chapter for property
37 located in a residentially distressed area; and

38 (2) any other deductions for which a statement of benefits was

1 approved under section 3 of this chapter before July 1, 1991.

2 In addition to the requirements of section 5(c) of this chapter, a
3 deduction application filed under section 5 of this chapter must contain
4 information showing the extent to which there has been compliance
5 with the statement of benefits approved under section 3 of this chapter.
6 Failure to comply with a statement of benefits approved before July 1,
7 1991, may not be a basis for rejecting a deduction application.

8 (b) This subsection applies to each deduction (other than a deduction
9 for property located in a residentially distressed area) for which a
10 statement of benefits was approved under section 3 of this chapter after
11 June 30, 1991. In addition to the requirements of section 5(c) of this
12 chapter, a property owner who files a deduction application under
13 section 5 of this chapter must provide the county auditor and the
14 designating body with information showing the extent to which there
15 has been compliance with the statement of benefits approved under
16 section 3 of this chapter. This information must be included in the
17 deduction application and must also be updated ~~within sixty (60) days~~
18 ~~after the end of~~ each year in which the deduction is applicable **at the**
19 **same time that the property owner is required to file a personal**
20 **property tax return in the taxing district in which the property for**
21 **which the deduction was granted is located. If the taxpayer does**
22 **not file a personal property tax return in the taxing district in**
23 **which the property is located, the information must be provided**
24 **before May 15.**

25 (c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following
26 information is a public record if filed under this section:

- 27 (1) The name and address of the taxpayer.
- 28 (2) The location and description of the property for which the
29 deduction was granted.
- 30 (3) Any information concerning the number of employees at the
31 property for which the deduction was granted, including estimated
32 totals that were provided as part of the statement of benefits.
- 33 (4) Any information concerning the total of the salaries paid to
34 those employees, including estimated totals that were provided as
35 part of the statement of benefits.
- 36 (5) Any information concerning the assessed value of the
37 property, including estimates that were provided as part of the
38 statement of benefits.

1 (d) The following information is confidential if filed under this
2 section:

3 (1) Any information concerning the specific salaries paid to
4 individual employees by the property owner.

5 (2) Any information concerning the cost of the property."

6 Page 15, line 2, delete "2010." and insert "**2017.**".

7 Page 17, line 1, delete "50%" and insert "**75%**".

8 Page 17, line 2, delete "33%" and insert "**50%**".

9 Page 17, line 3, delete "16.5%" and insert "**25%**".

10 Page 17, delete lines 4 through 8, begin a new paragraph and insert:

11 **"(d) A property owner that qualifies for the deduction under this**
12 **section must file a notice to claim the deduction in the manner**
13 **prescribed by the department of local government finance under**
14 **rules adopted by the department of local government finance under**
15 **IC 4-22-2 to implement this chapter. The township assessor shall:**

16 **(1) inform the county auditor of the real property eligible for**
17 **the deduction as contained in the notice filed by the taxpayer**
18 **under this subsection; and".**

19 Page 18, line 14, delete "50%" and insert "**75%**".

20 Page 18, line 15, delete "33%" and insert "**50%**".

21 Page 18, line 16, delete "16.5%" and insert "**25%**".

22 Page 21, line 30, delete "2011," and insert "**2018,**".

23 Page 22, line 30, delete "and exclusively".

24 Page 23, line 13, delete "." and insert ", **modified by considering**
25 **only Indiana qualified research expenses and gross receipts**
26 **attributable to Indiana in the calculation of the taxpayer's:**

27 **(1) fixed base percentage; and**

28 **(2) average annual gross receipts."**

29 Page 25, delete lines 32 through 42, begin a new paragraph and
30 insert:

31 "SECTION 19. IC 6-3.1-24-7, AS AMENDED BY P.L.4-2005,
32 SECTION 98, IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE FEBRUARY 9, 2005 (RETROACTIVE)]: Sec. 7. (a)
34 The Indiana economic development corporation shall certify that a
35 business is a qualified Indiana business if the corporation determines
36 that the business:

37 (1) has its headquarters in Indiana;

38 (2) is primarily focused on **professional motor vehicle racing,**

commercialization of research and development, technology transfers, or the application of new technology, or is determined by the Indiana economic development corporation to have significant potential to:

- (A) bring substantial capital into Indiana;
- (B) create jobs;
- (C) diversify the business base of Indiana; or
- (D) significantly promote the purposes of this chapter in any other way;

(3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;

(4) has:

- (A) at least fifty percent (50%) of its employees residing in Indiana; or
- (B) at least seventy-five percent (75%) of its assets located in Indiana; and

(5) is not engaged in a business involving:

- (A) real estate;
- (B) real estate development;
- (C) insurance;
- (D) professional services provided by an accountant, a lawyer, or a physician;
- (E) retail sales, except when the primary purpose of the business is the development or support of electronic commerce using the Internet; or
- (F) oil and gas exploration.

(b) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the Indiana economic development corporation.

(c) If a business is certified as a qualified Indiana business under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) The Indiana economic development corporation may impose an application fee of not more than two hundred dollars (\$200).

SECTION 20. IC 6-3.1-24-9, AS AMENDED BY P.L.4-2005,

SECTION 99, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE FEBRUARY 9, 2005 (RETROACTIVE)]: Sec. 9. (a)
 The total amount of tax credits that may be allowed under this chapter
 in a particular calendar year for qualified investment capital provided
 during that calendar year may not exceed ~~ten~~ **twelve million five**
~~hundred thousand~~ **dollars (\$10,000,000). (\$12,500,000)**. The Indiana
 economic development corporation may not certify a proposed
 investment plan under section 12.5 of this chapter if the proposed
 investment would result in the total amount of the tax credits certified
 for the calendar year exceeding ~~ten~~ **twelve million five hundred**
~~thousand~~ **dollars (\$10,000,000). (\$12,500,000)**. An amount of an
 unused credit carried over by a taxpayer from a previous calendar year
 may not be considered in determining the amount of proposed
 investments that the Indiana economic development corporation may
 certify under this chapter.

(b) Notwithstanding the other provisions of this chapter, a taxpayer
 is not entitled to a credit for providing qualified investment capital to
 a qualified Indiana business after December 31, 2008. However, this
 subsection may not be construed to prevent a taxpayer from carrying
 over to a taxable year beginning after December 31, 2008, an unused
 tax credit attributable to an investment occurring before January 1,
 2009."

Delete page 26.

Page 27, delete lines 1 through 10.

Page 27, delete lines 21 through 42, begin a new paragraph and
 insert:

"SECTION 22. IC 6-3.1-24-12.5, AS AMENDED BY P.L.4-2005,
 SECTION 100, IS AMENDED TO READ AS FOLLOWS
 [EFFECTIVE FEBRUARY 9, 2005 (RETROACTIVE)]: Sec. 12.5. (a)
 A taxpayer wishing to obtain a credit under this chapter must apply to
 the Indiana economic development corporation for a certification that
 the taxpayer's proposed investment plan would qualify for a credit
 under this chapter.

(b) The application required under subsection (a) must include:

- (1) the name and address of the taxpayer;
- (2) the name and address of each proposed recipient of the
 taxpayer's proposed investment;
- (3) the amount of the proposed investment;

(4) a copy of the certification issued under section 7 of this chapter that the proposed recipient is a qualified Indiana business; and

(5) any other information required by the Indiana economic development corporation.

(c) If the Indiana economic development corporation determines that:

(1) the proposed investment would qualify the taxpayer for a credit under this chapter; and

(2) the amount of the proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding ~~ten~~ **twelve** million **five hundred thousand** dollars ~~(\$10,000,000); (\$12,500,000);~~

the corporation shall certify the taxpayer's proposed investment plan.

(d) To receive a credit under this chapter, the taxpayer must provide qualified investment capital to a qualified Indiana business according to the taxpayer's certified investment plan within two (2) years after the date on which the Indiana economic development corporation certifies the investment plan.

(e) Upon making the investment required under subsection (d), the taxpayer shall provide proof of the investment to the Indiana economic development corporation.

(f) Upon receiving proof of a taxpayer's investment under subsection (e), the Indiana economic development corporation shall issue the taxpayer a certificate indicating that the taxpayer has fulfilled the requirements of the corporation and that the taxpayer is entitled to a credit under this chapter.

(g) A taxpayer forfeits the right to a tax credit attributable to an investment certified under subsection (c) if the taxpayer fails to make the proposed investment within the period required under subsection (d).".

Page 28, delete lines 1 through 20, begin a new paragraph and insert:
"SECTION 23. IC 6-3.1-30 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]:

Chapter 30. Headquarters Relocation Tax Credit

Sec. 1. As used in this chapter, "corporate headquarters" means the building or buildings where the principal offices of the

1 principal executive officers of an eligible business are located.

2 Sec. 2. As used in this chapter, "eligible business" means a
3 business that:

- 4 (1) is engaged in either interstate or intrastate commerce;
- 5 (2) maintains a corporate headquarters at a location outside
6 Indiana;
- 7 (3) has not previously maintained a corporate headquarters at
8 a location in Indiana;
- 9 (4) had annual worldwide revenues of at least five hundred
10 million dollars (\$500,000,000) for the taxable year
11 immediately preceding the business's application for a tax
12 credit under section 12 of this chapter; and
- 13 (5) commits contractually to relocating its corporate
14 headquarters to Indiana.

15 Sec. 3. As used in this chapter, "pass through entity" means:

- 16 (1) a corporation that is exempt from the adjusted gross
17 income tax under IC 6-3-2-2.8(2);
- 18 (2) a partnership;
- 19 (3) a limited liability company; or
- 20 (4) a limited liability partnership.

21 Sec. 4. As used in this chapter, "qualifying project" means the
22 relocation of the corporate headquarters of an eligible business
23 from a location outside Indiana to a location in Indiana.

24 Sec. 5. As used in this chapter, "relocation costs" means the
25 reasonable and necessary expenses incurred by an eligible business
26 for a qualifying project. The term includes:

- 27 (1) moving costs and related expenses;
- 28 (2) the purchase of new or replacement equipment;
- 29 (3) capital investment costs; and
- 30 (4) property assembly and development costs, including:
 - 31 (A) the purchase, lease, or construction of buildings and
32 land;
 - 33 (B) infrastructure improvements; and
 - 34 (C) site development costs.

35 The term does not include any costs that do not directly result from
36 the relocation of the business to a location in Indiana.

37 Sec. 6. As used in this chapter, "state tax liability" means a
38 taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.5 (state gross retail and use tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-5.5 (the financial institutions tax); and
- (4) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 8. A taxpayer that:

- (1) is an eligible business;
- (2) completes a qualifying project; and
- (3) incurs relocation costs;

is entitled to a credit against the taxpayer's state tax liability for the taxable year in which the relocation costs are incurred. The credit allowed under this section is equal to the amount determined under section 9 of this chapter.

Sec. 9. (a) Subject to subsection (b), the amount of the credit to which a taxpayer is entitled under section 8 of this chapter equals the product of:

- (1) fifty percent (50%); multiplied by
- (2) the amount of the taxpayer's relocation costs in the taxable year.

(b) The credit to which a taxpayer is entitled under section 8 of this chapter may not reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs.

Sec. 10. If a pass through entity is entitled to a credit under section 8 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

1 **Sec. 11. (a) If the credit provided by this chapter exceeds the**
 2 **taxpayer's state tax liability for the taxable year for which the**
 3 **credit is first claimed, the excess may be carried forward to**
 4 **succeeding taxable years and used as a credit against the taxpayer's**
 5 **state tax liability during those taxable years. Each time that the**
 6 **credit is carried forward to a succeeding taxable year, the credit is**
 7 **to be reduced by the amount that was used as a credit during the**
 8 **immediately preceding taxable year. The credit provided by this**
 9 **chapter may be carried forward and applied to succeeding taxable**
 10 **years for nine (9) taxable years following the unused credit year.**

11 **(b) A taxpayer is not entitled to any carryback or refund of any**
 12 **unused credit.**

13 **Sec. 12. To receive the credit provided by this chapter, a**
 14 **taxpayer must claim the credit on the taxpayer's state tax return or**
 15 **returns in the manner prescribed by the department. The taxpayer**
 16 **shall submit to the department proof of the taxpayer's relocation**
 17 **costs and all information that the department determines is**
 18 **necessary for the calculation of the credit provided by this chapter.**

19 **Sec. 13. In determining whether an expense of the eligible**
 20 **business directly resulted from the relocation of the business, the**
 21 **department shall consider whether the expense would likely have**
 22 **been incurred by the eligible business if the business had not**
 23 **relocated from its original location.**

24 **SECTION 24. IC 6-3.5-7-13.1 IS AMENDED TO READ AS**
 25 **FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13.1. (a) The fiscal**
 26 **officer of each county, city, or town for a county in which the county**
 27 **economic development tax is imposed shall establish an economic**
 28 **development income tax fund. Except as provided in sections 23, 25,**
 29 **26, and 27 of this chapter, the revenue received by a county, city, or**
 30 **town under this chapter shall be deposited in the unit's economic**
 31 **development income tax fund.**

32 **(b) Except as provided in sections 15, 23, 25, 26, and 27 of this**
 33 **chapter, revenues from the county economic development income tax**
 34 **may be used as follows:**

35 **(1) By a county, city, or town for economic development projects,**
 36 **for paying, notwithstanding any other law, under a written**
 37 **agreement all or a part of the interest owed by a private developer**
 38 **or user on a loan extended by a financial institution or other lender**

to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) For a regional venture capital fund established under section 13.5 of this chapter.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings

and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project,

including contract payments authorized under subsection

(b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E);

or

(N) to the extent not otherwise allowed under this chapter,

substance removal or remedial action in a designated unit;

or any combination of these.

SECTION 25. IC 6-3.5-7-13.5 IS ADDED TO THE INDIANA
CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2005]: **Sec. 13.5. (a) The general assembly
finds that counties and municipalities in Indiana have a need to
foster economic development, the development of new technology,
and industrial and commercial growth. The general assembly finds
that it is necessary and proper to provide an alternative method for
counties and municipalities to foster the following:**

(1) Economic development.

(2) The development of new technology.

(3) Industrial and commercial growth.

(4) Employment opportunities.

(5) The diversification of industry and commerce.

**It is declared that the fostering of economic development and the
development of new technology under this section for the benefit of
the general public, including industrial and commercial
enterprises, is a public purpose.**

1 (b) The fiscal bodies of two (2) or more counties or
2 municipalities may, by resolution, do the following:

3 (1) Determine that part or all the taxes received by the units
4 under this chapter should be combined to foster:

5 (A) economic development;

6 (B) the development of new technology; and

7 (C) industrial and commercial growth.

8 (2) Establish a regional venture capital fund.

9 (c) Each unit participating in a regional venture capital fund
10 established under subsection (b) may deposit the following in the
11 fund:

12 (1) Taxes distributed to the unit under this chapter.

13 (2) The proceeds of public or private grants.

14 (d) A regional venture capital fund shall be administered by a
15 governing board. The expenses of administering the fund shall be
16 paid from money in the fund. The governing board shall invest the
17 money in the fund not currently needed to meet the obligations of
18 the fund in the same manner as other public money may be
19 invested. Interest that accrues from these investments shall be
20 deposited into the fund. The fund is subject to an annual audit by
21 the state board of accounts. The fund shall bear the full costs of the
22 audit.

23 (e) The fiscal body of each participating unit shall approve an
24 interlocal agreement created under IC 36-1-7 establishing the
25 terms for the administration of the regional venture capital fund.
26 The terms must include the following:

27 (1) The membership of the governing board.

28 (2) The amount of each unit's contribution to the fund.

29 (3) The procedures and criteria under which the governing
30 board may loan or grant money from the fund.

31 (4) The procedures for the dissolution of the fund and for the
32 distribution of money remaining in the fund at the time of the
33 dissolution.

34 (f) An interlocal agreement made by the participating units
35 under subsection (e) must be submitted to the Indiana economic
36 development corporation for approval before the participating
37 units may contribute to the fund.

38 (g) A majority of the members of a governing board of a

1 regional venture capital fund established under this section must
 2 each have at least fifteen (15) years of experience in business,
 3 finance, or venture capital.

4 (h) The governing board of the fund may loan or grant money
 5 from the fund to a private or public entity if the governing board
 6 finds that the loan or grant will be used by the borrower or grantee
 7 for at least one (1) of the following economic development
 8 purposes:

9 (1) To promote significant employment opportunities for the
 10 residents of the units participating in the regional venture
 11 capital fund.

12 (2) To attract a major new business enterprise to a
 13 participating unit.

14 (3) To develop, retain, or expand a significant business
 15 enterprise in a participating unit.

16 (i) The expenditures of a borrower or grantee of money from a
 17 regional venture capital fund that are considered to be for an
 18 economic development purpose include expenditures for any of the
 19 following:

20 (1) Research and development of technology.

21 (2) Job training and education.

22 (3) Acquisition of property interests.

23 (4) Infrastructure improvements.

24 (5) New buildings or structures.

25 (6) Rehabilitation, renovation, or enlargement of buildings or
 26 structures.

27 (7) Machinery, equipment, and furnishings."

28 Page 30, line 7, delete "2011," and insert "**2018**,".

29 Page 30, line 11, delete "2011," and insert "**2018**,".

30 Page 36, line 20, delete "2011," and insert "**2018**,".

31 Page 36, line 24, delete "2011," and insert "**2018**,".

32 Page 40, line 38, delete "2011," and insert "**2018**,".

33 Page 40, line 42, delete "2011," and insert "**2018**,".

34 Page 46, between lines 22 and 23, begin a new paragraph and insert:

35 "SECTION 30. [EFFECTIVE UPON PASSAGE] (a)
 36 Notwithstanding the effective dates included in HEA 1003-2005, the
 37 following provisions take effect February 9, 2005, and not July 1,
 38 2005:

1 **(1) SECTIONS 66 through 85 of HEA 1003-2005.**

2 **(2) SECTIONS 102 through 110 of HEA 1003-2005.**

3 **(3) SECTION 112 of HEA 1003-2005.**

4 **(b) The actions taken by the Indiana economic development**
 5 **corporation to administer IC 6-3.1-13 and IC 6-3.1-26, both as**
 6 **amended by HEA 1003-2005, after February 8, 2005, and before**
 7 **the effective date of this act, are legalized and validated.**

8 Page 46, between lines 30 and 31, begin a new paragraph and insert:

9 "SECTION 33. [EFFECTIVE JANUARY 1, 2005
 10 (RETROACTIVE)] IC 6-1.1-12.1-5 and IC 6-1.1-12.1-5.1, both as
 11 amended by this act, apply to property taxes first due and payable
 12 after December 31, 2005.

13 SECTION 34. [EFFECTIVE JANUARY 1, 2006] IC 6-3.1-30, as
 14 added by this act, applies to taxable years beginning after
 15 December 31, 2005.

16 SECTION 35. [EFFECTIVE JANUARY 1, 2005
 17 (RETROACTIVE)] (a) Beginning January 1, 2005, and ending
 18 February 9, 2005, this SECTION applies instead of IC 6-3.1-24-7.

19 **(b) The definitions set forth in IC 6-3.1-24 apply throughout this**
 20 **SECTION.**

21 **(c) The Indiana economic development corporation shall certify**
 22 **that a business is a qualified Indiana business if the corporation**
 23 **determines that the business:**

24 **(1) has its headquarters in Indiana;**
 25 **(2) is primarily focused on professional motor vehicle racing,**
 26 **commercialization of research and development, technology**
 27 **transfers, or the application of new technology, or is**
 28 **determined by the Indiana economic development corporation**
 29 **to have significant potential to:**

30 **(A) bring substantial capital into Indiana;**
 31 **(B) create jobs;**
 32 **(C) diversify the business base of Indiana; or**
 33 **(D) significantly promote the purposes of this chapter in**
 34 **any other way;**

35 **(3) has had average annual revenues of less than ten million**
 36 **dollars (\$10,000,000) in the two (2) years preceding the year**
 37 **in which the business received qualified investment capital**
 38 **from a taxpayer claiming a credit under IC 6-3.1-24;**

1 **(4) has:**

2 **(A) at least fifty percent (50%) of its employees residing in**
 3 **Indiana; or**

4 **(B) at least seventy-five percent (75%) of its assets located**
 5 **in Indiana; and**

6 **(5) is not engaged in a business involving:**

7 **(A) real estate;**

8 **(B) real estate development;**

9 **(C) insurance;**

10 **(D) professional services provided by an accountant, a**
 11 **lawyer, or a physician;**

12 **(E) retail sales, except when the primary purpose of the**
 13 **business is the development or support of electronic**
 14 **commerce using the Internet; or**

15 **(F) oil and gas exploration.**

16 **(d) A business shall apply to be certified as a qualified Indiana**
 17 **business on a form prescribed by the Indiana economic**
 18 **development corporation.**

19 **(e) If a business is certified as a qualified Indiana business under**
 20 **this SECTION, the Indiana economic development corporation**
 21 **shall provide a copy of the certification to the investors in the**
 22 **qualified Indiana business for inclusion in tax filings.**

23 **(f) The Indiana economic development corporation may impose**
 24 **an application fee of not more than two hundred dollars (\$200).**

25 **(g) This SECTION expires February 9, 2005.**

26 **SECTION 36. [EFFECTIVE JANUARY 1, 2005**
 27 **(RETROACTIVE)] (a) Beginning January 1, 2005, and ending**
 28 **February 9, 2005, this SECTION applies instead of IC 6-3.1-24-9.**

29 **(b) The definitions set forth in IC 6-3.1-24 apply throughout this**
 30 **SECTION.**

31 **(c) The total amount of tax credits that may be allowed under**
 32 **IC 6-3.1-24 in a particular calendar year for qualified investment**
 33 **capital provided during that calendar year may not exceed twelve**
 34 **million five hundred thousand dollars (\$12,500,000). The Indiana**
 35 **economic development corporation may not certify a proposed**
 36 **investment plan under IC 6-3.1-24-12.5 if the proposed investment**
 37 **would result in the total amount of the tax credits certified for the**
 38 **calendar year exceeding twelve million five hundred thousand**

dollars (\$12,500,000). An amount of an unused credit carried over by a taxpayer from a previous calendar year may not be considered in determining the amount of proposed investments that the Indiana economic development corporation may certify under IC 6-3.1-24.

(d) Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for providing qualified investment capital to a qualified Indiana business after December 31, 2008. However, this subsection may not be construed to prevent a taxpayer from carrying over to a taxable year beginning after December 31, 2008, an unused tax credit attributable to an investment occurring before January 1, 2009.

(e) This SECTION expires February 9, 2005.

SECTION 37. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] (a) Beginning January 1, 2005, and ending February 9, 2005, this SECTION applies instead of IC 6-3.1-24-12.5.

(b) The definitions set forth in IC 6-3.1-24 apply throughout this SECTION.

(c) A taxpayer wishing to obtain a credit under IC 6-3.1-24 must apply to the Indiana economic development corporation for a certification that the taxpayer's proposed investment plan would qualify for a credit under IC 6-3.1-24.

(d) The application required under subsection (c) must include:

- (1) the name and address of the taxpayer;
- (2) the name and address of each proposed recipient of the taxpayer's proposed investment;
- (3) the amount of the proposed investment;
- (4) a copy of the certification issued under section IC 6-3.1-24-7 that the proposed recipient is a qualified Indiana business; and
- (5) any other information required by the Indiana economic development corporation.

(e) If the Indiana economic development corporation determines that:

- (1) the proposed investment would qualify the taxpayer for a credit under IC 6-3.1-24; and
- (2) the amount of the proposed investment would not result in

- 1 the total amount of tax credits certified for the calendar year
 2 exceeding twelve million five hundred thousand dollars
 3 (\$12,500,000);
 4 the corporation shall certify the taxpayer's proposed investment
 5 plan.
 6 (f) To receive a credit under IC 6-3.1-24, the taxpayer must
 7 provide qualified investment capital to a qualified Indiana business
 8 according to the taxpayer's certified investment plan within two (2)
 9 years after the date on which the Indiana economic development
 10 corporation certifies the investment plan.
 11 (g) Upon making the investment required under subsection (f),
 12 the taxpayer shall provide proof of the investment to the Indiana
 13 economic development corporation.
 14 (h) Upon receiving proof of a taxpayer's investment under
 15 subsection (g), the Indiana economic development corporation shall
 16 issue the taxpayer a certificate indicating that the taxpayer has
 17 fulfilled the requirements of the corporation and that the taxpayer
 18 is entitled to a credit under IC 6-3.1-24.
 19 (i) A taxpayer forfeits the right to a tax credit attributable to an
 20 investment certified under subsection (e) if the taxpayer fails to
 21 make the proposed investment within the period required under
 22 subsection (f).
 23 (j) This SECTION expires February 9, 2005."
 24 Renumber all SECTIONS consecutively.
 (Reference is to SB 1 as printed February 11, 2005.)

and when so amended that said bill do pass.

Representative Espich